

OFFERING OF

275,000 shares

of

**PYROTEX MINING & EXPLORATION COMPANY LIMITED**

A mining company, incorporated under the laws of Ontario  
with an authorized capital of \$3,000,000 divided into  
3,000,000 shares of the par value of \$1.00 each,

by

BOUCHARD &amp; CO. LTD.

as Agent for SICRON FINANCIALS LIMITED, the Company's Promoter.

INITIAL OFFERING - 200,000 SHARES AT \$1.00 PER SHARE

The said 200,000 shares being initially offered comprise the 100,000 shares underwritten by and 100,000 shares optioned to Bouchard & Co. Ltd. on behalf of and at a price determined by the Promoter as set out in Item 14 of the accompanying Prospectus.

75,000 of the shares to be purchased by the Promoter from the Vendor at the negotiated prices set out in Item 12(iii) of said Prospectus, may be sold from time to time at the prevailing market price on the over-the-counter market. None of the proceeds from such sales will accrue to the treasury of the Company.

PURPOSE OF ISSUE

The Company proposes to use its funds to implement the recommendations of its Engineer, W.N. Ingham Ph.D. For particulars see Item 15 of the Prospectus.

MARKET

There is presently no market for the shares of the Company.

A SPECULATIVE SECURITY

It is not presently possible to evaluate the Company's shares and the offering price and the prices at which the same may be traded presently bear no relationship to any potential or intrinsic worth.

BOUCHARD & CO. LTD. — T.S.E.  
21 Richmond Street West  
Toronto, Ontario.  
Telephone: 366-7722

*Perman*



Digitized by the Internet Archive  
in 2023 with funding from  
University of Alberta Library

[https://archive.org/details/Pyro1927\\_0000](https://archive.org/details/Pyro1927_0000)

PROSPECTUS  
OF  
PYROTEX MINING & EXPLORATION COMPANY LIMITED

1. The full name of the Company is PYROTEX MINING & EXPLORATION COMPANY LIMITED (hereinafter referred to as the "Company"). The Head Office of the Company is Suite 405, 67 Yonge Street, Toronto, Ontario.
2. The Company was incorporated as a mining company under Part IV of The Corporations Act (Ontario) by Letters Patent dated the 12th day of October 1966.
3. The following are the particulars of the names, occupations and residence addresses of the officers, directors and promoter of the Company.

(a) Officers and directors -

President and director :	John Canie, Mining Executive, 185 Shaughnessy Boulevard, Suite 1112, Willowdale, Ontario.
--------------------------	---

Vice-President and director :	Everett Eyril Ott, Chartered Accountant, 2730 Yonge Street, Toronto, Ontario.
-------------------------------	--

Secretary-Treasurer and director :	John Alexander Murphy, Professional Secretary, 25 Cheyenne Drive, Scarborough, Ontario.
------------------------------------	--

Director :	Willard Johnson, Ph.D., Biochemist, 444 Evered Avenue, Ottawa, Ontario.
------------	--

Director :	Ray Bradley, Business Executive, 25 Baltray Crescent, Don Mills, Ontario.
------------	--

(b) Promoter -

Sicron Financials Limited, a private company incorporated under the laws of the Province of Ontario, having its head office at Suite 400, 67 Richmond

Street West, Toronto, Ontario (hereinafter "Sicron"), is the Promoter of the Company.

John Canie, the President of the Company, and Guy Maurice Joseph Lamarche, 65 Corning Road, Willowdale, Ontario, are the only persons having a greater than 5% interest in Sicron.

4. Bearg, Griff & Associates, Chartered Accountants, 133 Richmond Street West, Toronto, Ontario, are the Company's auditors.

5. The Sterling Trusts Corporation, 372 Bay Street, Toronto, Ontario, is the transfer agent and registrar of the shares in the capital of the Company.

6. The authorized capital of the Company is \$3,000,000 divided into 3,000,000 shares with a par value of \$1 each whereof 750,005 shares have been issued and are outstanding as fully paid and non-assessable.

7. No bonds or debentures are outstanding nor are any proposed to be issued.

8. The certificates representing 675,000 shares are deposited with The Sterling Trusts Corporation, 372 Bay Street, Toronto, Ontario, the transfer agent and registrar of the shares in the capital of the Company, and held in escrow by it subject to release only pro rata to the parties entitled thereto on the written consent of a majority of the directors of the Company and the written consents of the Ontario Securities Commission and/or any other regulatory body having similar jurisdiction in any Province of Canada in which the shares in the capital of the Company may be offered for sale to the public pursuant to a Prospectus to be filed with said regulatory body, and subject also to transfer, hypothecation and/or alienation within escrow only upon the written consent of the Ontario Securities Commission. The said 675,000 shares are held by Max Levine, 320 Lonsdale Road, Toronto, Ontario, (hereinafter "Levine") subject to the Agreement dated November 28, 1966 between Levine and Sicron as mentioned in Item 12(iii) below.

9. To date 5 shares of the capital of the Company have been sold for a total cash consideration of \$5.00 to the original incorporators at \$1 per share. No commission was paid on the sale of the said shares. For particulars of shares to be issued pursuant to the Underwriting and Option Agreement therein described, see paragraph 14 hereunder.

10. There have been no securities other than the foregoing shares sold for cash.

11. No shares have been issued or are to be issued nor cash paid or to be paid by the Company to any promoter for promotional services. For particulars of shares issued for mining properties see paragraph 12 hereunder.

12. The following are the particulars relating to the acquisition of the property of the Company :-

- (i) The Company is the beneficial owner of a group of 12 unpatented mining claims located in the vicinity of Randall Lake in the Patricia Portion of the District of Kenora, in the Red Lake Mining Division of Ontario, duly

recorded in the Office of the Mining Recorder for the said Mining Division at Red Lake, Ontario, as mining claim numbers KRL 44736, 44737, 44739 to 44743 inclusively, 44754 to 44757 inclusively and 44761. All of said claims are held under the provisions of the mining laws of the Province of Ontario.

- (ii) Pursuant to an agreement in writing between Levine and the Company dated November 28, 1966 the Company acquired the 12 unpatented mining claims described in paragraph (i) above from Levine. The consideration was \$75,000 which was fully paid and satisfied by the allotment and issuance of 750,000 fully paid and non-assessable shares in the capital of the Company to Levine whereof 90% are held in escrow on the terms set out in paragraph 8 above.
- (iii) Pursuant to an agreement in writing dated the 28th day of November 1966 between Levine and Sicron, Sicron will acquire, forthwith upon the Ontario Securities Commission issuing a final receipt for this Prospectus, 507,500 of the said 750,000 shares allotted and issued to Levine as aforesaid, consisting of 57,500 free shares and 450,000 escrowed shares for \$30,000. payable \$10,000. on the effective date, \$10,000. within one year thereafter and \$10,000. within two years thereafter. Said agreement further provides for the purchase by Sicron from Levine of his remaining 17,500 free shares at 50¢ per share within six months after the effective date and an irrevocable and exclusive right and option to purchase the whole or any part of his remaining 225,000 escrowed shares at 20¢ per share exercisable at any time and from time to time within one year after the effective date.

13. For particulars of the history of exploration in the area in which the said 12 claims described in Item 12(i) above are located, geology of the area and the property, reference is made to the Report of W.N.Ingham, Ph.D., Consulting Geologist, dated the 18th day of December 1966, a copy of which accompanies and by reference thereto is made a part of this prospectus. The following are the particulars relating to the said 12 mining claims :-

- (i) The claims are in the Patricia Portion of the District of Kenora, Red Lake Mining Division, Ontario. They lie in the North Caribou Lake Area, which is 190 air-miles north of Sioux Lookout on the C.N.R. main northern line, or 90 miles north to the town of Pickle Lake. Pickle Lake is accessible by motor road from Savant Lake station on the C.N.R., 50 miles east of Sioux Lookout. A 200-mile stretch of motor road is currently under construction from Pickle Lake to Lingman Lake. It will pass a few miles south of the property, and has now reached a point 30 miles south of the property. The property can be reached in a few hours from Toronto by means of T.C.A. to Fort William, then a charter flight for 300 miles north to Agutua Arm of Weagamow Lake.
- (ii) There has been no underground exploration and development to the knowledge of the signatories hereto and there is no underground plant and equipment.

- (iii) The character, extent and condition of the surface exploration and development work heretofore carried out on the said claims, and the results thereof, are described in detail in the said Report. There is no surface plant and equipment.
- (iv) The known history of the property is set forth in the said accompanying Report.
- (v) There has been no work done nor improvements made by the present management.

14. Pursuant to an agreement in writing dated the 28th day of November 1966 between the Company and Bouchard & Co. Ltd., 21 Richmond Street West, Toronto, Ontario, the Underwriter-Optionee, the Underwriter-Optionee on behalf of Sicron subscribed for 100,000 shares in the capital of the Company at 50¢ per share and agreed to make payment therefor forthwith after the date upon which a final receipt for this Prospectus is issued to the Company, (herein referred to as the "effective date"). In consideration of such purchase and payment for the 100,000 shares, the Company has given and granted to the Underwriter-Optionee on behalf of Sicron, the sole, exclusive and irrevocable right and option to subscribe for and purchase from the Company the whole or any part of 100,000 additional shares in the capital of the Company exercisable upon payment therefor at 50¢ per share within three months from the effective date. The said price was determined by the Promoter.

In the event of default in taking up shares within any of the times aforesaid and such default continues for fifteen (15) days after the Company gives written notice thereof, the unexercised option will terminate. However, if default should occur, an amendment to this Prospectus will be filed within twenty (20) days thereof if the shares of the Company are still in primary distribution.

It is provided in the said agreement, among other things, that during the two years following the effective date, the Underwriter-Optionee on behalf of Sicron shall have the first right of refusal of any further financing of the Company through the issue of shares in its capital and that the Company shall not without the prior written consent of the Underwriter-Optionee alter its capital structure, create or issue any bonds, debentures, notes or other securities, increase or decrease the number of its directors, transfer, sell or otherwise dispose of all or substantially all the assets of the Company except in the ordinary course of business, option or agree to option for sale or other disposition, sell or otherwise dispose of shares in the capital of the Company save to the Underwriter-Optionee, or create or permit any lien or encumbrance on the property to remain undischarged for a period of more than thirty (30) days.

No sub-option agreements or sub-underwriting agreements are outstanding or proposed to be given nor are there any assignments or proposed assignments of this agreement. If any sub-option agreements or sub-underwriting agreements or assignments of this or such agreements are entered into in the future, particulars thereof will be set forth in an accepted amendment to this Prospectus before the same will become effective.

15. The \$50,000 to be received from the sale of the 100,000 shares to be underwritten by the Underwriter-Optionee as set out in paragraph 14 above will be used to pay the Company's preliminary expenses estimated at \$6,500., to carry out the exploration and development programme as recommended by W.N. Ingham, Ph.D., Consulting Geologist, in his accompanying Report, at an estimated cost of \$35,000., and for general operating expenses. Any further exploration and development will be carried out only if warranted and to the extent that funds are available therefor.

If the options aforementioned are exercised, the proceeds received for shares purchased in exercise of the said options will be used for general operating costs including further exploration and development of the Company's properties to the extent warranted. No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in Canada in which the securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after primary distribution of the securities offered by this Prospectus has ceased, approval of the shareholders will be obtained and disclosure will be made to the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus. Additionally, moneys will not be advanced to other companies except to the extent necessary to enable the Company to implement its exploration and development programme, as set forth in this Prospectus or any amendment thereto.

16. The cost of preliminary expenses including the cost of organizing the Company, preparation and filing of this Prospectus, preparation of the Company's financial statements and Engineer's Report is estimated at \$6,500. It is estimated that the administrative expenditures to be incurred during the succeeding twelve months should not exceed \$2,500. Apart from the estimated \$35,000 to be expended in carrying out the recommendations aforementioned, the Company is not presently able to estimate any further development expenses.

17. There is no indebtedness created or intended to be created which is not shown in the Balance Sheet as at December 20, 1966 and Notes thereto, a copy of which accompanies and by reference thereto is made part of this Prospectus. No security has been or is to be given for such indebtedness.

18. (i) The principal business of each director and/or officer for the past three years is as follows :-

John Canie, the President and director, has been engaged alone and in association with others in prospecting and exploring for minerals in various areas of the Province of Ontario for more than three years. He has been associated with Claw Lake Molybdenum Mines Limited, Chipman Lake Mines Limited, Consolidated Negus Mines Limited and Urban Quebec Mines Limited.

Everett Eyril Ott, the Vice-President and director, has carried on practice as a Chartered Accountant at 67 Yonge Street, Toronto, Ontario, and has furnished professional corporate services to numerous

mining and other companies including New Keloire Mines Limited, Phoenix Canada Oil Company Limited, and Grand Canadian Mining Corporation Limited.

John Alexander Murphy, the Secretary-Treasurer and director, has carried on practice as a professional Secretary and Accountant in association with Everett Eyril Ott at 67 Yonge Street, Toronto, Ontario, and has served in this capacity with numerous mining and other companies including Pleno Mines Limited, Mercury Chipman Company Limited, Flint Rock Mines Limited and New Keloire Mines Limited.

Willard Johnson, Ph.D., director, Chief of Biochemistry for Food and Drug Directorate, Department of National Health and Welfare, Ottawa, Ontario, for the past four years. No previous mining experience.

Ray Bradley, director, was employed as Branch Manager of Trans Canada Credit Corporation Limited, Timmins, Ontario, from 1960 to 1963, and Branch Manager of Seaboard Finance Company Limited in Timmins, Ontario, from 1963 to July 1966, and is presently self employed in the field of public relations. He has no previous mining experience.

(ii) No officer or director of the Company either personally or as a partner in a firm has ever had any interest direct or indirect in the properties acquired by the Company. However, John Canie, the President of the Company, may be deemed to have an indirect interest by reason of his interest in Sicron as aforementioned and the agreement between Sicron and Levine described in Item 12 (iii).

(iii) No remuneration has been paid or is to be paid to the directors and officers as of the date hereof. It is estimated that during the succeeding twelve months, directors will be paid \$25 for each meeting of directors and/or shareholders attended by them, together with all travelling expenses and other expenses incurred by them on behalf of the Company. It is estimated that the aggregate remuneration payable to the directors and officers during the succeeding twelve months should not exceed \$3,000 inclusive of the proposed payment of \$150 per month to the Secretary-Treasurer of the Company for furnishing the Company with Head Office accommodation and facilities, stenographic, book-keeping and secretarial services.

19. The Company has not paid any dividends.

20. There is no agreement in writing or otherwise concerning the future election of directors of the Company. By reason of the agreement dated November 28, 1966 referred to in Item 12(iii) above, Sicron will be in a position to elect or cause to be elected a majority of the directors of the Company.

21. During the course of primary distribution the 57,500 shares issued to the Vendor free of escrow as set out in paragraph 12(ii) above which Sicron will have purchased and the further 17,500 shares which Sicron has agreed to purchase as set out in paragraph 12(iii) above will be offered for sale to the public but the Company will derive no financial benefit from the sale of such shares.

There are no other material facts not disclosed in the foregoing.

22. The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required.

DATED the 26th day of January 1967.

DIRECTORS

" John Canie "

" Everett Eyril Ott "

" John Alexander Murphy "

" Willard Johnson "

" Ray Bradley "

23. To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

DATED the 26th day of January 1967.

Underwriter-Optionee

BOUCHARD & CO. LTD.

per : "Alan F. Percival"

**BEARG / GRIFF & ASSOCIATES**

*Chartered Accountants*

DAVID J. GRIFF, C.A.,  
LICENSED TRUSTEE

STEPHEN A. BEARG, C.A.

133 Richmond Street West • Toronto 1, Ont. • Phone: 368-7001

REPORT

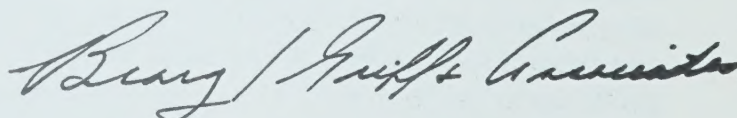
December 23rd, 1966

To: The Shareholders,  
Pyrotex Mining & Exploration Company Limited,  
Toronto, Ontario.

We have examined the Balance Sheet of Pyrotex Mining & Exploration Company Limited as at December 20, 1966. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet when read in conjunction with the notes thereto presents fairly the financial position of the Company as at December 20, 1966 in accordance with generally accepted accounting principles.

Respectfully submitted,



BEARG / GRIFF & ASSOCIATES,  
Chartered Accountants.

Toronto, Canada.

PYROTEX MINING & EXPLORATION COMPANY LIMITED

(Incorporated under the Laws of the Province of Ontario)

BALANCE SHEET

AS AT DECEMBER 20, 1966

A S S E T S

Cash on hand	\$ 5.00
Twelve unpatented mining claims in the Patricia Portion of the District of Kenora, Ontario acquired for 750,000 shares of the Company's capital stock, valued at	75,000.00
Organization costs (estimated)	<u>6,500.00</u>
Total Assets	\$ <u>81,505.00</u>

L I A B I L I T I E S

Accounts payable and accrued liabilities (estimated)	\$ 6,500.00
--	-------------

S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK

Authorized:

3,000,000 Shares, par value \$1.00 each \$ 3,000,000.00

Issued and fully paid: (Note 1)

5 Shares for cash	\$ 5.00
750,000 Shares for mining claims	\$ 750,000.00
Less: Discount thereon	<u>675,000.00</u>
	<u>75,000.00</u>

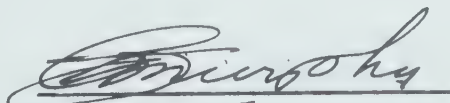
750,000

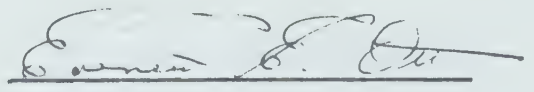
75,005.00

\$ 81,505.00

The accompanying note is an integral part of the financial statement.

Signed on behalf of the Board:

  
Director

  
Director

PYROTEX MINING & EXPLORATION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 20, 1966

- Note 1. By agreement dated November 28, 1966, the Company agreed to sell 100,000 fully paid non-assessable shares of its capital stock at 50¢ per share payable forthwith upon acceptance for filing of the Company's prospectus by the Ontario Securities Commission (herein referred to as the "effective date") and in consideration therefor has granted an option on 100,000 additional shares exercisable upon payment therefor at 50¢ per share payable within 3 months of the effective date.

PYROTEX MINING & EXPLORATION COMPANY LIMITED

12 mining claims

North Caribou Lake Area

Red Lake Mining Division

Northwestern Ontario

W. N. Ingham, Ph.D.,

Consulting Geologist.

Burlamaque, Quebec.

December 18, 1966.

## CONTENT

Introduction .....	page 1
Property .....	page 1
History .....	page 2
Geology .....	page 3
Surface Showings .....	page 4
Previous Diamond Drilling .....	page 6
Conclusion and Recommendations .....	page 9
Certificate	

Telephone: 825-2320  
P. O. Box 327

207 Dennison Blvd  
Bourlamaque, Quebec.

W. N. INGHAM, Ph.D.  
Consulting Geologist

The President and Directors,  
Pyrotex Mining and Exploration Co. Ltd.,  
Suite 400,  
67 Richmond Street West,  
Toronto, Ontario.

Gentlemen,

This report describes the geology, mineralization and geophysical nature of your group of 12 mining claims in north-western Ontario. Previous prospecting, and diamond drilling, has yielded encouraging results in the form of short, narrow, but high grade lenses of gold, silver, and copper-bearing mineralization in a wide, strong, shear zone, traced for a length of 2,800 feet and open at both ends. Previous geophysical surveys, electrical and magnetic, have outlined seven good conductor zones on your property, six of which have not been tested by drilling. It is recommended that your Company carry out a programme of mapping, prospecting, and 5,000 feet of diamond drilling, costing overall approximately \$35,000.00

#### PROPERTY

The property is comprised of a group of 12 claims. These are numbered K.R.L. 44736, -37, -39, -40, -41, -42, -43, -54, -55, -56, -57 and -61. The claims are in the Patricia Portion of the District of Kenora, Red Lake Mining Division, Ontario, They lie in the North Caribou Lake Area, which is 190 air-miles north of Sioux Lookout on the C.N.R. main northern line, or 90 miles north

of the town of Pickle Lake. Pickle Lake is accessible by motor road from Savant Lake station on the C.N.R., 50 miles east of Sioux Lookout. A 200-mile stretch of motor road is currently under construction from Pickle Lake to Lingman Lake. It will pass a few miles south of the property, and has now reached a point 30 miles south of the property. The property can be reached in a few hours from Toronto by means of T.C.A. to Fort William, then a charter flight for 300 miles north to Agutua Arm of Weagamow Lake.

### HISTORY

The main showing on your property, in the northeast corner of claim 44757, apparently was discovered in 1957 by a prospecting party working for the Mosher interests of Toronto. Some surface stripping was done and three shallow X-ray drill holes were put down, but the writer has no knowledge of the results of this drilling. It is presumed the results were unfavourable since no staking was carried out at the time. Claims covering the showing were staked early in 1959 and optioned to Teal Explorations Limited by Prospector Max Levine.

During the Spring of 1959, J.E. Ayrhart and Associates sponsored a Lundberg Explorations Limited airborne electromagnetic survey of a block of country 6 miles wide and 35 miles long, covering a favourable greenstone-sedimentary belt and including the Teal Claims. A large number of claims were staked by the Ayrhart Syndicate, and subsequently optioned to Anaconda, who conducted ground investigations during the next 10 months. The airborne survey indicated three strong anomalies on the Teal property, one of which corresponded in

location with the copper-gold-silver- main showing.

Teal purchased a D-6 bulldozer and a tractor compressor unit, both of which were flown to the property, and put to work opening up the main break. At the same time a ground, horizontal coil electromagnetic survey of most of the claim group was carried out by Wagner-Mills, geophysicists. This survey confirmed the airborne anomalies and also picked up 15 additional conducting zones. However, the survey was not successful in tracing the main break, so it was decided to do a detailed ground radiograph survey and a magnetometer survey covering the projected strike of the break along 3,000 feet. Teal then carried out 4,889 feet of diamond drilling.

#### GEOLOGY

The general geology of the area and the Pyrotex property is shown on Map No.48h, which accompanies a report by J.Satterly in Vol.XLVIII, Part 9, Ontario Department of Mines Annual Report, 1939. The property is located along the south limb of large synclinal structure, traced on the above map for 60 miles to the east. In the area of the property the syncline is about 12 miles wide, the infolded belt of volcanic and sedimentary rocks being bounded by extensive areas of granite to the north and south.

The northwestern quarter of the Pyrotex property is underlain by diorite, which forms part of a stock 3 miles long and  $\frac{1}{2}$  mile wide. South of the diorite the rocks are intercalated lavas, pyroclastics, and sediments, with the volcanic formations predominating. The rock types observed are andesite, dacite, tuff, and

greywacke. These formations strike N.60 degrees east, and they dip both to the north and to the south.

A very strong zone of shearing and faulting occurs along the south margin of the diorite body. It is exposed in trenches at the main showing across 70 feet, and drilling indicates a true width of 87 feet across the north dip of 50 to 70 degrees. The schist developed is a soft, fissile rock with a light grey-green colour, and consists mainly of sericite, talc, and chlorite. It is highly impregnated with stringers and veinlets of calcite and quartz, and generally weakly mineralized with pyrite, and a few grains of chalcopyrite.

#### SURFACE SHOWINGS

The principal surface showing is a quartz vein lying in the main shear zone in the northeast corner of claim 44757. At this location bulldozer work and trenching exposed the shear zone along 550 feet and across up to 70 feet to the west of the vein. The vein is heavily impregnated with tetrahedrite, chalcopyrite and pyrite across a width of 0.5 to 1.0 foot. It pinches out to the west and strikes under low ground to the east. Samples taken by the writer along the 80-foot length exposed assayed as follows :

<u>Sample No.</u>	<u>Gold</u>	<u>Silver</u>	<u>Copper</u>	<u>Remarks</u>
1	0.04 oz.	0.28 oz.	1.03 %	Chips across 1.0 foot east end of exposure.
2	2.54	3.68	1.35	Chips across 1.0 foot 25 feet west of No.1.
3	1.92	18.80	2.50	Chips across 4.0 feet 75 feet west of No.1.

In 1959 the Teal prospectors opened up four other

sulphide showings, which are located short distances outside the boundaries of the present Pyrotex property, but which strike towards your claims.

No.1 showing is located 300 feet west of the west boundary of your property, at a point 1,000 feet north of the southwest corner of K.R.L. 44736. A strong zone of shearing several feet wide in diorite is highly impregnated with quartz-carbonate vein material. The schist is fairly well mineralized with pyrite and a little chalcoppyrite was also observed.

No.2 showing is located 50 feet south of the south boundary of your property, at a point 450 feet east of the southwest corner of K.R.L. 44737. A rock trench blasted across 40 feet exposes a shear zone 25 feet wide in which are injected 6 lenses of vein quartz. Generally sparse, but locally enriched splashes of chalcoppyrite lie in the quartz and schist. Selected samples assay up to 2.20 % copper per ton with low tenors in gold and silver.

No.3 showing is 950 feet east of the east boundary of your property, measured from the northeast corner of K.R.L. 44737. Two rock trenches 40 feet apart on strike expose a rusty shearing injected with quartz-carbonate stringers across 15 feet. The zone strikes N. 75° E. and dips 75° south. Some of the veinlets carry sparsely disseminated chalcoppyrite. One lense of quartz 8 inches wide is heavily mineralized with arsenoppyrite, and a selected sample of this material assayed 0.80 oz. gold and 0.13 % copper per ton.

No.4 showing is 220 feet north of No.3. It is a parallel shear zone 20 feet wide. An 8.0 foot width of the zone consists of 50% vein quartz, which is adjoined on the south by a width of

12.0 feet of pyritic schist cut by quartz-carbonate stringers. Low copper and gold assays were obtained from grab samples taken by the writer.

#### PREVIOUS DIAMOND DRILLING

During January, February and March, 1960, a total of 4889 feet of diamond drilling, 15 holes, was completed by Teal Explorations. Twelve holes are distributed along the main break covering at various intervals a length of 2,800 feet, and two holes were drilled outside the limits of the present Pyrotex property.

Five of the holes are short borings put down directly under the discovery vein. Holes No.2, No.4 and No.6, forming a three-hole tier under the centre of the high grade surface lense of vein quartz, each cut ore grade material at vein dip-slope depth of 35 feet, 75 feet and 150 feet. However, holes No.1 (west) and No.3 (east) located 50 feet on each side of the No.2, No.4, No.6 section, failed to intersect the vein, limiting the length to about 50 feet. Hole No.12, drilled across the break 100 feet east of No.3, and hole No.13, drilled across the break 100 feet west of No.1, also did not encounter any ore material.

Hole No.7, 100 feet west again from No.13, yielded a true width of 8.0 feet at a depth of 150 feet assaying an average of 1.17 oz. gold, 7.02 oz. silver and 1.22% copper. About 90% of the values in the 8.0 foot section, are contained in a 1.0-foot wide zone well mineralized with tetrahedrite.

Hole No.5, located 200 feet east of No.12, did not

intersect any valuable mineralization in the main break, but at a point 50 feet south of the break, 1.0 feet of core with a quartz veinlet assayed 0.80 oz. gold and 3.24 oz. silver per ton.

Hole No.8, 800 feet east of No.5, or 1,150 feet east of the high grade showing, cut 60 feet of schist representing the main break. Three narrow sections of 1.0 foot, 1.0 foot and 2.5 feet carrying sparse pyrite and few grains of chalcopyrite, assayed nil in gold.

Hole No.11, 400 feet west of No.7, or 650 feet west of the high grade showing, cut 136 feet of schist and quartz-carbonate veinlets representing the main break. Three sections of 3.0 feet, 3.0 feet and 2.0 feet of mainly vein material with sparse sulphides assayed nil gold.

Hole No.9, 1,000 feet west of No.11, or 1,650 feet west of the high grade showing, cut four bands of schist injected with quartz-carbonate veinlets at intervals across some 300 feet. The schist bands are from 17 to 33 feet wide. Apparently at this section, the main break has split into several parallel shear zones. Although the schist contains considerable quartz-carbonate vein material, sulphide mineralization is very sparse, and no gold values were obtained.

Hole No.15, was put down 1,000 feet east and 500 feet south of the main showing to test a combined E.M. conductor and magnetic anomaly paralleling the main break to the south. It cut 136 feet of tuff and greywacke sparsely mineralized with pyrite and characterized by several beds of lean iron formation with grains of magnetite. This rock was followed by 117 feet of andesite locally

sheared and injected by quartz stringers. Five samples assayed for gold yielded traces of the yellow metal. One sample carried 0.11% lead.

Detailed description of the five holes, Nos. 1, 2, 3, 4, and 6 put down under the main high grade showing, are as follows :

Hole No.1, drilled to 102 feet, intersected 24 feet of diorite followed by 78 feet of light grey-green, sericite, carbonatized schist, impregnated with numerous quartz-carbonate veinlets. Various sections of the shear zone from 3 to 8 feet wide contain up to 40% vein material. Pyrite occurs as fine grains, or distinct coarse cubic crystals, and as films or thin splashes along the slip planes. A total of 47 feet made up to eleven sections of core from 2.0 to 8.0 feet wide were assayed, which yielded traces of gold.

Hole No.2 was drilled parallel to No.1 at a position 50 feet to the east. A section of mineralized schist and vein material 7.8 feet wide at footage 51.2 to 59.0 gave assays in gold, silver and copper. Included in the 7.8 feet is a section of 2.8 feet carrying 2.44 oz. gold, 10.16 oz. silver, and 1.84% copper per ton. This intersection is the downward extension on a 60° north dip of the high grade discovery vein. The hole ended at a slope depth of 100 feet.

Hole No.3 was drilled 50 feet east of No.2 to a slope depth of 128 feet. A core section at footage 30 to 33 assayed 3.08% copper per ton, which intersection is a parallel lense lying in the main break 20 feet north of the discovery vein. The hole also cut 3.0 feet of schist at footage 124 to 127 at the footwall of the break assaying 1.52% copper per ton.

Hole No.4 was spotted 50 feet to the north of No.2, and

drilled southward under No.2 . It intersected the downward extension of the hole No.2 vein section at footage 98.5 to 103.0, a core length of 4.5 feet. This zone of schist and vein quartz mineralized with chalcopyrite and tetrahedrite assayed 0.27 oz. gold, 7.63 oz. silver, and 4.92% copper per ton.

Hole No.6 was put down to a slope depth of 333 feet under the No.2 - 4 section. After penetrating 237 feet of the diorite hanging-wall rock, it cut through 48 feet of schist impregnated with many quartz-carbonate veinlets. The strongest vein material is across 8.5 feet at footage 249.0 to 257.5. A 4.5 foot width of this section carries an average of 0.60 oz. gold, 7.5 oz. silver and 3.65% copper.

Hole No.7 is located 250 feet west of the No.2, No.4 and No.6 section of holes. It was put down at a 60 degree angle for 310 feet to explore a very strong radiograph anomaly lying in the main break a few feet south of the trenched outcrop. The hole cut 65 feet of light grey-green schist impregnated with quartz-carbonate vein material. The proportion of vein material in the schist is particularly strong from footage 175 to 195. This section was assayed in four 5.0 foot samples. Two of these at footage 185 to 195, including 1.2 feet with heavy tetrahedrite mineralization, assayed 1.17 oz. gold, 7.02 oz. silver, and 1.22% copper.

#### CONCLUSION AND RECOMMENDATIONS

1. The surface trenching and diamond drilling indicates the main showing is small, 80 feet long at surface and about 50 feet long at a vertical depth of 135 feet. However, the grade is very good in combined dollar value of the gold, silver and copper

2. The intersection in hole No.7, 250 feet west of the main showing of gold, silver and copper across 8.0 feet is open to the west for 300 feet towards blank hole No.11.
3. No deep drilling was carried out under the vicinity of the high grade holes 2 - 4 - 6 section and the hole 7 section
4. The main break, consisting of highly sheared volcanics and strongly injected quartz-carbonate vein material, is from 50 to 100 feet wide. It probably extends along the diorite contact for a length of one mile across the entire property, and additional test drilling is warranted.
5. It is recommended that an exploration programme be carried out, consisting of :
  - (1) Detailed geological mapping of the whole property.
  - (2) Systematic prospecting of the geologically and geophysical favourable areas.
  - (3) Diamond drilling of the extensions of the main break beyond the explored length and between the more widely spaced previous holes.
  - (4) Deep diamond drilling in the main showing area.
  - (5) Diamond drilling with short test holes of the six unexplored E.M. conductors.
  - (6) The drilling recommended amounts to 5,000 feet as follows :

Main break .....	3,000 feet
E.M. anomalies .....	1,000 feet
Anticipated discoveries .....	<u>1,000 feet</u>
	5,000 feet

- (7) At this location cost of this programme of systematic mapping, prospecting and drilling will amount to \$35,000.00.

Submitted by,

A handwritten signature in dark ink, appearing to read "W. N. Ingham". The script is cursive and fluid, with the first letters of the first and last names being capitalized and prominent.

W. N. Ingham, Ph.D.  
Consulting Geologist.

Bourlamaque. Quebec.

December 18. 1966.

W. N. INGHAM, Ph.D.

Consulting Geologist.

C E R T I F I C A T E

1. I am Walter Norman Ingham, with office at 207 Dennison Blvd., Bourlamaque, Quebec.
2. I graduated with the Degree of B.A. in Geology from McMaster University in 1938; I have the Degree M.A. in Geology from the University of Toronto, 1941; and I received the Degree Ph.D. in Economic Geology from the University of Toronto. 1944.
3. I am a member of the Canadian Institute of Mining and Metallurgy since 1947; and a Charter Fellow of the Geological Association of Canada.
4. I do not hold, nor do I expect to receive, direct or indirect. any interest in the properties or securities of Pyrotex Mining and Exploration Company Limited.
5. This report is based on numerous visits to the property during the Fall of 1959 and winter of 1960. All of the outcrops and trenches shown on the map have been examined personally; and the diamond drilling was carried out under my direct supervision, including personal logging of all the core. Selected references are as follows :

Basil T. Wilson: Report on the Geophysical Survey in the North Caribou Lake Area, District of Kenora, Ontario, June 19, 1959.

E.P. Wagner: Report on Electromagnetic Survey, Teal Explorations Limited, Randall Lake Area, Ontario. October 8, 1959.

Basil T. Wilson: Memorandum regarding the Radiograph Survey on a portion of Teal Exploration Limited property, District of Kenora, Ontario. December 10, 1959.

W.N. Ingham: Summary Report 1959 - 60 Exploration on Teal Explorations Limited, North Caribou Lake, Ontario, November 15, 1960.









